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By Dennis Cauchon, USA TODAY

States are cracking down on a controversial practice that lets government workers collect pension benefits while continuing to work for a salary.

The practice — called "double dipping" — lets tens of thousands of state and local workers retire, collect pension benefits and then keep working, often at the same job.

"What was going on was absolutely ludicrous," says Kentucky state Rep. Mike Cherry, a Democrat. Kentucky's Legislature last month ended a policy that let workers retire, get rehired and start a second pension in addition to the first.

Double-dipping is legal in nearly every state under existing pension and hiring rules. It is especially common among educators, police officers and others who retire young after 20 to 30 years on the job.

Supporters of double-dipping say rehiring retirees is a cost-effective way to tap experience.

Olga Martin Steele, 60, earns \$252,000 a year as interim chief executive of the Santa Clara Valley Water District in San Jose plus another \$180,000 a year in pension benefits from 30-plus years of government service.

"The benefit of someone like me is I know the organization, the people, the community," she says. The water district saves money because, as a temporary employee, she doesn't get medical or other benefits.

States are limiting double-dipping in response to newspaper reports and audits. The *St. Petersburg Times* found that Florida has more than 8,000 double-dippers and 121 "triple-dippers" — workers enjoying two pensions and a salary. As the Florida Retirement System puts it, workers may "retire without terminating employment."

Double-dippers include elected officials, school superintendents, university presidents, police chiefs and other prominent public servants.

Legislators in Arizona, Florida, Massachusetts and elsewhere have introduced legislation to curb double-dipping. Elsewhere:

- New York.** The Legislature limited double-dipping. The state last week ordered school districts to prove that rehiring retirees was needed and to post compensation data on the Internet.

- New Jersey.** The Legislature limited pension benefits for part-time workers.

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http://www.usatoday.com/money/perfi/retirement/2008-07-16-doubledippers_N.htm



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